

**UPTOWN SPECIAL SERVICE AREA #34**

**FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**UPTOWN SPECIAL SERVICE AREA #34**

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December 31, 2011 and 2010**

**INDEX**

<u>FINANCIAL STATEMENTS</u>	<u>Page</u>
Independent Auditor's Report	1
Statements of Assets, Liabilities and Net Assets December 31, 2011 and 2010	2
Statements of Revenues, Expenditures and Changes in Net Assets - For the Years Ended December 31, 2011 and 2010	3
Statements of Cash Flows - For the Years Ended December 31, 2011 and 2010	4
Notes to the Financial Statements - For the Years Ended December 31, 2011 and 2010	5-6
Summary Schedule of Audit Findings For the Year Ended December 31, 2011	7
Statements of Revenues and Expenditures - Budget vs. Actual - For the Years Ended December 31, 2011 and 2010	8-9

March 26, 2012

To the Commissioners  
Uptown Special Services Area #34

Independent Auditors' Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Uptown Special Services Area #34 as of December 31, 2011 and 2010 and the related Statements of Revenues, Expenditures and Changes in Net Assets, Statements of Cash Flows and Summary Schedule of Audit Findings for the years then ended. These financial statements are the responsibility of Uptown Special Services Area #34 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Uptown Special Services Area #34 as of December 31, 2011 and 2010, and its revenues, expenditures, changes in net assets, cash flows and summary schedule of audit findings for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The 2011 and 2010 budget amounts, which were arrived at by the Uptown Special Services Area #34 and are shown in the Statements of Revenues, Expenditures and Changes in Net Assets, are presented for comparison purposes only. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.



**EILTS & ASSOCIATES, INC.**

UPTOWN SPECIAL SERVICES AREA #34

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS  
December 31, 2011 and 2010

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	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 522,559	\$ 349,034
Net current assets	<u>522,559</u>	<u>349,034</u>
TOTAL ASSETS	<u>\$ 522,559</u>	<u>\$ 349,034</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	\$ 36,289	\$ 33,855
Due to Uptown United	<u>7,798</u>	<u>13,291</u>
Total current liabilities	<u>44,087</u>	<u>47,146</u>
TOTAL LIABILITIES	44,087	47,146
NET ASSETS		
Unrestricted net assets	<u>478,472</u>	<u>301,888</u>
Total net assets	<u>478,472</u>	<u>301,888</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 522,559</u>	<u>\$ 349,034</u>

The accompanying notes are an integral part of the financial statements

**UPTOWN SPECIAL SERVICES AREA #34**

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>SUPPORT AND REVENUE</b>		
Property tax levy revenue	\$ 619,550	\$ 439,217
Interest income	1,657	1,673
Grant Income - Public Allies	2,800	7,015
Loss collections	<u>(26,060)</u>	<u>-</u>
 Total support and revenue	 597,947	 447,905
 <b>EXPENSES</b>		
Wages, payroll taxes and benefits	63,160	61,828
Grant expense - Public Allies	18,130	16,930
Office and occupancy expenses	7,623	7,517
Sidewalk maint/snow removal/landscaping	309,020	299,580
Holiday decorations	1,092	2,222
Safety programs	800	-
District planning	-	4,995
Advertising and promotion	13,823	-
Administrative expenses	1,927	744
SSA liability insurance	2,599	3,254
Professional services	<u>3,189</u>	<u>2,537</u>
 Total program expenses	 421,363	 399,607
 Increase/(decrease) in net assets	 176,584	 48,298
 Net assets, beginning of period	 <u>301,888</u>	 <u>253,590</u>
 Net assets, end of period	 <u>\$ 478,472</u>	 <u>\$ 301,888</u>

The accompanying notes are an integral part of the financial statements

UPTOWN SPECIAL SERVICES AREA #34

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Net income/(loss)	\$ 176,585	\$ 48,298
Adjustments to reconcile net income to net cash provided by operations:		
(Increase)/Decrease in:		
Due from Public Allies	-	984
Prepaid expenses	-	1,891
Increase/(Decrease) in:		
Accounts payable/accrued expenses	<u>(3,060)</u>	<u>4,286</u>
Net Cash Provided by Operating Activities	<u>173,525</u>	<u>55,459</u>
Net Increase/(Decrease) in Cash	173,525	55,459
Cash at the beginning of year	<u>349,034</u>	<u>293,575</u>
Cash at the end of year	<u>\$ 522,559</u>	<u>\$ 349,034</u>

The accompanying notes are an integral part of the financial statements

**UPTOWN SPECIAL SERVICE AREA #34**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2011 and 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization – Uptown Special Service Area #34 was created by the City of Chicago to provide additional services to the Uptown community. The primary source of funds is from real estate taxes on certain property in the Special Service Area. Special Service Area #34 generates revenue for the sole purpose of improving and enhancing the business districts of the Uptown neighborhood. The boundaries of which are generally properties fronting Broadway and Sheridan south of Foster and north of Montrose, Broadway between Montrose and Irving Park Road, Lawrence from Marine Drive to St. Boniface Cemetery and Wilson from Marine Drive to Dover Street.

Activities and services funded include: cleaning and beautification activities, coordination of advertising and promotional events, attraction and recruitment of new quality businesses to the area, and technical assistance to existing and potential businesses.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Based on the information provided by the Department of Planning and Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Areas to prepare financial statements on the accrual basis of accounting.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Uptown Special Services Area #34 without physical segregation as to various restricted portions. All earnings on such are allocated to unrestricted revenue. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**UPTOWN SPECIAL SERVICE AREA #34**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2011 and 2010**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - REAL ESTATE TAX REVENUE**

The Organization's principal source of revenue is from real estate taxes levied on certain property located in the boundaries listed in Note 1. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Organization. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Organization recognizes this revenue in the year in which the funds become available.

For 2011 and 2010 the tax levy revenue consisted of:

	<u>2011</u>	<u>2010</u>
2005 tax levy collected	\$ (526)	\$ (1,668)
2006 tax levy collected	(361)	(4,673)
2007 tax levy collected	(1,656)	(2,592)
2008 tax levy collected	( 660)	35,738
2009 tax levy collected	98,043	412,412
2010 tax levy collected	498,650	-
Total tax levy collected	<u>\$ 593,490</u>	<u>\$ 439,217</u>

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The taxing district's contractor is Uptown United. Uptown United is paid a management fee and is also reimbursed for ongoing administration expenses such as rent, utilities, postage and etc. During 2011 and 2010, SSA#34 paid Uptown United \$63,161 and \$61,828, respectively for service provided support. As of December 31, 2011 and 2010, the taxing district had a balance due to Uptown United of \$7,798 and \$13,291 respectively.

**UPTOWN SPECIAL SERVICE AREA #34**

**SUMMARY OF SCHEDULE OF AUDIT FINDINGS  
For the Year Ended December 31, 2011**

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We have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that no exceptions were noted.

The auditor's report expresses an unqualified opinion on the financial statements of Uptown Special Services Area #34. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None found

**FINDINGS AND QUESTIONED COSTS**

None found

**UPTOWN SPECIAL SERVICES AREA #34**

**STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL  
For the Years Ended December 31, 2011 and 2010**

	2011			2010		
	Budget	Actual	Actual Over / (Under) Budget	Budget	Actual	Actual Over / (Under) Budget
<b>REVENUE</b>						
Contract - SSA	\$ 612,210	\$ 619,550	\$ 7,340	\$ 543,510	\$ 439,217	\$ (104,293)
Interest income	-	1,657	1,657	-	1,673	1,673
Grant Income - Public Allies	-	2,800	2,800	-	7,015	7,015
Loss Collection	(20,000)	(26,060)	(6,060)	(20,000)	-	20,000
Total support and revenue	592,210	597,947	5,737	523,510	447,905	(75,605)
<b>EXPENDITURES</b>						
1.00 Advertising & Promotion	-	-	-	-	-	-
1.01 Display Ads	5,000	683	(4,317)	5,000	-	(5,000)
1.02 Holiday/Seasonal Promotions	5,000	-	(5,000)	5,000	-	(5,000)
1.03 Printed Materials	8,000	-	(8,000)	5,000	-	(5,000)
1.04 Public/Media Relations Services	-	10,640	10,640	5,000	-	(5,000)
1.05 Special Events	-	2,500	2,500	-	-	-
1.07 Service Provider Direct Services	5,000	5,570	570	5,000	5,564	564
Total Advertising & Promotion	23,000	19,393	(3,607)	25,000	5,564	(19,436)
2.00 Public Way Maintenance	-	-	-	-	-	-
2.03 Graffiti Removal	2,000	4,376	2,376	-	-	-
2.04 Liability / Property Insurance	5,000	2,599	(2,401)	4,000	3,254	(746)
2.05 Sidewalk Cleaning	275,000	247,716	(27,284)	262,500	247,092	(15,408)
2.06 Sidewalk Powerwashing	20,000	-	(20,000)	-	-	-
2.07 Sidewalk Snow Plowing	70,000	54,428	(15,572)	65,500	52,114	(13,386)
2.10 Supplies	1,000	2,120	1,120	1,000	374	(626)
2.14 Service Provider Direct Services	34,995	29,138	(5,857)	36,495	29,057	(7,438)
Grant - Public Allies	-	18,130	18,130	-	16,930	16,930
Total 2.14 Service Provider Direct Services	34,995	47,268	(51,864)	36,495	45,987	(20,674)
Total Public Way Maintenance	407,995	358,507	(49,488)	369,495	348,821	(20,674)
3.00 Public Way Aesthetics	-	-	-	-	-	-
3.01 Decorative Banner Purch./Installation/Maint.	8,000	-	(8,000)	3,000	-	(3,000)
3.02 Holiday Decorations	20,000	1,092	(18,908)	25,000	2,222	(22,778)
3.03 Landscaping	20,000	300	(19,700)	15,000	-	(15,000)
3.04 Property Insurance	-	-	-	-	-	-
3.05 Streetscape Elements Purch/Install/Maint	20,000	80	(19,920)	10,000	-	(10,000)
3.06 Wayfinding/Signage	20,000	-	(20,000)	15,000	-	(15,000)
3.07 Service Provider Direct Services	8,000	9,283	1,283	8,000	9,274	1,274
Total Public Way Aesthetics	96,000	10,755	(85,245)	76,000	11,496	(64,504)
4.00 Tenant Retention/Attraction	-	-	-	-	-	-
4.04 Technical Assistance to Businesses	500	-	(500)	500	-	(500)
4.06 Service Provider Direct Services	1,000	-	(1,000)	1,000	-	(1,000)
Total Tenant Retention/Attraction	1,500	-	(1,500)	1,500	-	(1,500)
6.01 Bicycle Advocacy (racks, promotions)	1,000	-	(1,000)	-	-	-
6.13 Service Provider Direct Services	500	-	(500)	-	-	-
Total Parking/Transit/Accessibility	1,500	-	(1,500)	-	-	-

The accompanying notes are an integral part of the financial statements

**UPTOWN SPECIAL SERVICES AREA #34**

**STATEMENTS OF REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL**  
**For the Years Ended December 31, 2011 and 2010**

	2011			2010		
	Budget	Actual	Actual Over / (Under) Budget	Budget	Actual	Actual Over / (Under) Budget
7.00 Safety Programs						
7.01 Public Way Surveillance Cameras/Maint.	-	-	-	-	-	-
7.02 Security Rebate Program	20,000	800	(19,200)	8,000	-	(8,000)
7.03 Panhandling Abatement Programs	-	-	-	1,000	-	(1,000)
7.06 Safety Seminars	4,000	-	(4,000)	5,000	-	(5,000)
7.08 Juvenile/Adult Court and CAPS	500	-	(500)	1,000	-	(1,000)
7.09 Service Provider Direct Services	10,000	9,902	(98)	9,000	9,892	892
Total Safety Programs	34,500	10,702	(23,798)	24,000	9,892	(14,108)
8.00 District Planning						
8.02 District Branding, Identity Development	4,000	-	(4,000)	5,000	4,995	(5)
8.07 Service Provider Direct Services	2,245	2,476	231	2,245	2,473	228
Total District Planning	6,245	2,476	(3,769)	7,245	7,468	223
10.00 Operational & Admin Support						
10.01 Audit	5,000	2,500	(2,500)	5,300	2,537	(2,763)
10.02 Bookkeeping	1,500	832	(668)	-	-	-
10.03 Meeting	200	405	205	200	10	(190)
10.04 Office Equipment Lease/Maintenance	200	-	(200)	200	145	(55)
10.05 Office Rent	4,950	5,547	597	4,950	5,175	225
10.06 Office Supplies	250	283	33	250	524	274
10.07 Office Utilities/Telephone	2,070	2,076	6	2,070	2,342	272
10.08 Postage	100	-	(100)	100	-	(100)
10.09 Office Printing	2,200	-	(2,200)	2,200	65	(2,135)
10.10 Service Provider Administrative Support	5,000	6,791	1,791	5,000	5,568	568
10.11 Subscriptions/dues	-	180	180	-	-	-
10.12 Other: Web page/publications	-	915	915	-	-	-
Total Operational & Administrative Support	21,470	19,529	(1,941)	20,270	16,366	(3,904)
Total Program Expenses	592,210	421,362	(170,848)	523,510	399,607	(123,903)
INCREASE/(DECREASE) IN NET ASSETS	\$ -	\$ 176,585	\$ 176,585	\$ -	\$ 48,298	\$ 48,298

The accompanying notes are an integral part of the financial statements